

EXHIBIT A

Motors Liquidation Company GUC Trust

Financial Statements

Year Ended March 31, 2012

Motors Liquidation Company GUC Trust

Financial Statements

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Plante & Moran, PLLC
Suite 2000
2001 Cambridge Court
Auburn Hills, MI 48002
Tel: 248.275.7100
Fax: 248.275.7101
planteandmoran.com

Independent Auditor's Report

To the Trust Administrator, Trust Monitor,
and Trust Beneficiaries
Motors Liquidation Company GUC Trust

We have audited the accompanying statement of net assets in liquidation of Motors Liquidation Company GUC Trust as of March 31, 2012 and the related statements of changes in net assets in liquidation and cash flows for the year then ended. These financial statements are the responsibility of management of Motors Liquidation Company GUC Trust. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation of Motors Liquidation Company GUC Trust as of March 31, 2012 and the changes in its net assets in liquidation and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC

Auburn Hills, Michigan
May 15, 2012



Motors Liquidation Company GUC Trust
STATEMENT OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)
March 31, 2012
(Dollars in thousands)

ASSETS

| | |
|--------------------------------------|--------------|
| Cash and Cash Equivalents | \$ 38,396 |
| Investments in Marketable Securities | 86,571 |
| Holdings of New GM Securities | 1,530,262 |
| Other Assets & Deposits | <u>2,662</u> |

TOTAL ASSETS

1,657,891

LIABILITIES

| | |
|--|---------------|
| Accounts Payable & Other Liabilities | 26,276 |
| Liquidating Distributions Payable | 31,720 |
| Deferred Tax Liability | 108,583 |
| Avoidance Action Trust Funding Obligation | 13,715 |
| Reserves for Residual Wind Down Claims | 32,247 |
| Reserves for Expected Costs of Liquidation | <u>76,111</u> |

TOTAL LIABILITIES

288,652

NET ASSETS IN LIQUIDATION

\$ 1,369,239

See Accompanying Notes to Financial Statements

Motors Liquidation Company GUC Trust
STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)
(Dollars in thousands)

| | Year ended March 31, 2012 |
|--|--------------------------------------|
| | <hr/> |
| Net Assets in Liquidation, beginning of year | \$ - |
| Changes in net assets in liquidation: | |
| Transfer of interest in securities due from Motors Liquidation Company | 9,900,699 |
| Adjustment of reserves for Expected Costs of Liquidation | (52,993) |
| Incurrence of funding obligation to Avoidance Action Trust | (13,715) |
| Liquidating distributions of securities | (7,883,466) |
| Net change in fair value of holdings of New GM Securities | (472,801) |
| Interest income | 98 |
| Income tax provision | (108,583) |
| | <hr/> |
| Net change in net assets in liquidation | 1,369,239 |
| | <hr/> |
| Net Assets in Liquidation, end of year | \$ 1,369,239 |
| | <hr/> <hr/> |

See Accompanying Notes to Financial Statements

Motors Liquidation Company GUC Trust
STATEMENT OF CASH FLOWS (LIQUIDATION BASIS)
(Dollars in thousands)

| | Year ended March 31, 2012 |
|---|--------------------------------------|
| Cash flows from (used in) operating activities | |
| Cash receipts from interest | \$ 98 |
| Cash paid for professional fees, governance costs and other administrative costs | (22,945) |
| Net cash flows from operating activities | (22,847) |
| Cash flows from (used in) investing activities | |
| Cash used to purchase investments | (340,828) |
| Cash from maturities of investments and sales of investments | 265,725 |
| Net cash flows from investing activities | (75,103) |
| Cash flows from (used in) financing activities | |
| Cash transfer from Motors Liquidation Company to fund Expected Costs of Liquidation | 62,306 |
| Cash transfer from Motors Liquidation Company to fund Residual Wind-Down Claims | 33,807 |
| Cash from sale of securities for Avoidance Action Trust | 13,715 |
| Cash from sale of securities to fund Expected Costs of Liquidation | 26,518 |
| Net cash flows from financing activities | 136,346 |
| Net increase in cash and cash equivalents | 38,396 |
| Cash and cash equivalents, beginning of period | - |
| Cash and cash equivalents, end of period | <u><u>\$ 38,396</u></u> |

The GUC Trust has not presented a reconciliation from net income to cash flow from operations. As an entity in liquidation, the GUC Trust does not have continuing operations that result in the measurement of net income as that term is used by generally accepted accounting principles to measure results of operations.

See Accompanying Notes to Financial Statements

Motors Liquidation Company GUC Trust
Notes to Financial Statements
March 31, 2012

1. Purpose of Trust

Purpose of Trust

The Motors Liquidation Company GUC Trust (“GUC Trust”) is a successor to Motors Liquidation Company (formerly known as General Motors Corp.) (“MLC”) within the meaning of Section 1145 of the United States Bankruptcy Code (“Bankruptcy Code”). The GUC Trust holds, administers and directs the distribution of certain assets pursuant to the terms and conditions of the Motors Liquidation Company GUC Trust Agreement (the “GUC Trust Agreement”), dated as of March 30, 2011 and as amended from time to time, and pursuant to the Second Amended Joint Chapter 11 Plan (the “Plan”), dated March 18, 2011, of MLC and its debtor affiliates (collectively, along with MLC, the “Debtors”), for the benefit of holders of allowed general unsecured claims against the Debtors (“Allowed General Unsecured Claims”).

The GUC Trust was formed on March 30, 2011, as a statutory trust under the Delaware Statutory Trust Act, for the purposes of implementing the Plan and distributing the GUC Trust’s distributable assets. The Plan generally provides for the distribution of certain shares of common stock (“New GM Common Stock”) of the new General Motors Company (“New GM”) and certain warrants for the purchase of shares of such stock (the “New GM Warrants”, and together with the “New GM Common Stock”, the “New GM Securities”) to holders of Allowed General Unsecured Claims *pro rata* by the amount of such claims. In addition, the Plan provides that each holder of an Allowed General Unsecured Claim will obtain, in the form of GUC Trust Units (as defined below), a contingent right to receive, on a pro rata basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims (as defined below) or liquidation for the payment of the expenses of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust.

The GUC Trust is administered by Wilmington Trust Company, solely in its capacity as the trust administrator and trustee (the “GUC Trust Administrator”). Among other rights and duties, subject to the terms, conditions and limitations set forth in the GUC Trust Agreement, the GUC Trust Administrator has the power and authority to hold, manage, sell, invest and distribute the assets comprising the GUC Trust corpus, consult with and retain professionals for the administration of the GUC Trust, prosecute and resolve objections to Disputed General Unsecured Claims, take all necessary actions to administer the wind-down of the affairs of the Debtors upon their dissolution, and upon such dissolution, resolve and satisfy, to the extent allowed, the Residual Wind-Down Claims (as defined below). The activities of the GUC Trust Administrator are overseen by FTI Consulting, Inc., solely in its capacity as monitor (the “GUC Trust Monitor”).

Motors Liquidation Company GUC Trust
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March 31, 2012

2. Plan of Liquidation

On March 31, 2011, the date the Plan became effective (the “Effective Date”), there were approximately \$29,771 million in Allowed General Unsecured Claims (the “Initial Allowed General Unsecured Claims”). In addition, as of the Effective Date, there were approximately \$8,154 million in disputed general unsecured claims which reflects liquidated disputed claims and a Bankruptcy Court ordered reserve for unliquidated disputed claims (“Disputed General Unsecured Claims”), but does not reflect potential Avoidance Action General Unsecured Claims. The total aggregate amount of general unsecured claims, both allowed and disputed, asserted against the Debtors, inclusive of the potential Avoidance Action General Unsecured Claims (as defined below), was approximately \$39,425 million as of the Effective Date.

Pursuant to the GUC Trust Agreement, holders of Disputed General Unsecured Claims become entitled to receive a distribution of New GM Securities from the GUC Trust if, and to the extent that, such Disputed General Unsecured Claims become Allowed General Unsecured Claims. The GUC Trust Agreement provides the GUC Trust Administrator with the authority to file objections to such Disputed General Unsecured Claims within 180 days of the Effective Date. On September 23, 2011, the Bankruptcy Court entered an order, pursuant to Bankruptcy Rule 9006(b), extending the time by which the Debtors or the GUC Trust, as applicable, may object to Disputed General Unsecured Claims and Administrative Expenses as defined in the Plan to March 26, 2012. On March 22, 2012, the Bankruptcy Court entered an order, pursuant to Bankruptcy Rule 9006(b), further extending the time by which the GUC Trust may object to Disputed General Unsecured Claims and Administrative Expenses as defined in the Plan to September 26, 2012 (which date may be further extended by application to the Bankruptcy Court). Such claims may be prosecuted through alternative dispute resolution proceedings, including mediation and arbitration (“ADR Proceedings”), if appropriate. The GUC Trust Administrator and its professionals are currently prosecuting multiple objections to Disputed General Unsecured Claims.

To the extent that all or a portion of a Disputed General Unsecured Claim is deemed invalid – or “disallowed” – by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is disallowed is not entitled to a distribution from the GUC Trust (subject to any appeal rights of the claimant). However, to the extent that a Disputed General Unsecured Claim is fully resolved, and such resolution results in all or a portion of the original Disputed General Unsecured Claim being deemed valid – or “allowed” – by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is allowed will be considered an Allowed General Unsecured Claim and will be entitled to a distribution from the GUC Trust as if it were an Allowed General Unsecured Claim on the Effective Date (such claims, “Resolved Disputed Claims”).

Only one Avoidance Action, captioned Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al., Adv. Pro. No. 09-00504 (Bankr. S.D.N.Y. July 31, 2009) (the “Term Loan Avoidance Action”), was commenced prior to the statutory deadline for commencing such actions. The Term Loan Avoidance Action was commenced by the Official Committee of Unsecured Creditors of Motors Liquidation Company (the “Committee”), and seeks the return of approximately \$1.5 billion that had been transferred by the Debtors (with funds advanced after the commencement of the

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Debtors' Chapter 11 cases by the United States Treasury and Export Development Canada (together, the "DIP Lenders")) to a consortium of prepetition lenders pursuant to the terms of the order of the Bankruptcy Court. On December 15, 2011, in accordance with the Plan, upon the dissolution of MLC, the Term Loan Avoidance Action was transferred to the Avoidance Action Trust (as defined below). To the extent that the trustee and trust administrator of the Avoidance Action Trust (the "Avoidance Action Trust Administrator") is successful in obtaining a judgment against the defendant(s) to the Term Loan Avoidance Action, Allowed General Unsecured Claims will arise in the amount of any transfers actually avoided (that is, disgorged) pursuant thereto (such general unsecured claims "Avoidance Action General Unsecured Claims," and together with Resolved Disputed Claims, the "Resolved Allowed Claims").

It is still unclear whether any amounts actually avoided pursuant to the Term Loan Avoidance Action would be for the benefit of holders of Allowed General Unsecured Claims. On June 6, 2011, the Committee commenced a separate adversary complaint seeking a declaratory judgment that (a) the DIP Lenders are not entitled to any proceeds of the Term Loan Avoidance Action and have no interests in the trust established for the action under the Plan (the "Avoidance Action Trust"), and (b) the holders of Allowed General Unsecured Claims have the exclusive right to receive any and all proceeds of the Term Loan Avoidance Action, and are the exclusive beneficiaries of the Avoidance Action Trust with respect thereto. On December 2, 2011, the Bankruptcy Court entered an order, in favor of the Committee, denying the DIP Lenders' motions to dismiss and for summary judgment (the "Term Loan Ownership Ruling"). On December 16, 2011, the DIP Lenders appealed the Term Loan Ownership Ruling along with related rulings and decisions of the Bankruptcy Court.

GUC Trust Distributable Assets

Pursuant to the terms of the Plan, the Bankruptcy Court authorized the distribution of 150 million shares of New GM Common Stock issued by New GM, warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$10.00 per share ("New GM Series A Warrants"), and warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$18.33 per share ("New GM Series B Warrants"). In addition, the agreement governing the sale of substantially all of the assets of the Debtors and related sale documentation together provide that, in the event that the Bankruptcy Court enters an order that includes a finding that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion, New GM will be required to issue additional shares of New GM Common Stock for the benefit of the GUC Trust's beneficiaries (the "Additional Shares"). The number of Additional Shares to be issued will be equal to the number of such shares, rounded up to the next whole share, calculated by multiplying (i) 30 million shares (adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to such New GM Common Stock from and after the closing of such sale and before issuance of the Additional Shares) and (ii) a fraction, (A) the numerator of which is the amount by which Allowed General Unsecured Claims exceed \$35 billion (such excess amount being capped at \$7 billion) and (B) the denominator of which is \$7 billion. No Additional Shares have been issued as of March 31, 2012.

Funding for GUC Trust Costs of Liquidation

The GUC Trust has and will have certain costs to liquidate the trust assets and implement the Plan. On or about the Effective Date, pursuant to the Plan, MLC contributed approximately \$52.7 million to the GUC Trust to be held and maintained by the GUC Trust Administrator (as the "GUC Trust Administrative

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Fund”) for the purpose of paying certain fees and expenses incurred by the GUC Trust (including fees of the GUC Trust Administrator and the GUC Trust Monitor and the fees and expenses for professionals retained by the GUC Trust) (“Wind-Down Costs”). Cash or investments from the GUC Trust Administrative Fund, if any, which remain at the winding up and conclusion of the GUC Trust must be returned to the DIP Lenders. The GUC Trust Agreement provides that if the GUC Trust Administrator determines that the GUC Trust Administrative Fund is not sufficient to satisfy the current or projected costs and expenses of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to set-aside, or “reserve”, New GM Securities from distribution for this purpose. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Wind-Down Costs, in most cases, with the required approval of the Bankruptcy Court. New GM Securities that are reserved and/or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the cash proceeds of any such sale will be classified as “Other GUC Trust Administrative Cash” under the GUC Trust Agreement. Separate from this process of reserving, or setting aside, New GM Securities to satisfy projected costs and expenses of the GUC Trust, as a matter of financial reporting, the GUC Trust records a reserve in its Statement of Net Assets (the source of funding of which is not addressed thereon) for all liquidation expenses which are estimable and probable. As a result, there is not a direct relationship between the amount of such Reserve reflected in the Statement of Net Assets and the value of any New GM Securities that are set aside for current or projected costs. As described in Note 3, adjustments to the Reserve for Expected Costs of Liquidation as reported in the Statement of Net Assets are recorded only when the incurrence of additional costs is both estimable and probable.

In addition, in accordance with Section 2.3(e)(i) of the GUC Trust Agreement, the GUC Trust requested the sale of 87,182 shares of New GM Common Stock and 79,256 warrants of each series of New GM Warrants by MLC in order to provide additional funds for the payment of a portion of expenses related to certain regulatory reporting requirements and other actions provided for by the GUC Trust Agreement (“Reporting Costs”), including (i) those directly or indirectly relating to reports to be filed by the GUC Trust with the Securities and Exchange Commission (the “SEC”) or otherwise pursuant to applicable rules, regulations and interpretations of the SEC, (ii) the application to the Internal Revenue Service for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities, and (iii) the ownership dispute with respect to the Term Loan Avoidance Action. The sale, which occurred May 27, 2011, resulted in cash proceeds of approximately \$5.7 million, which constituted Other GUC Trust Administrative Cash under the GUC Trust Agreement. These funds were previously maintained at MLC, but upon MLC’s dissolution on December 15, 2011, such funds were transferred to the GUC Trust and the Avoidance Action Trust. If the GUC Trust Administrator determines that the Other GUC Trust Administrative Cash is not sufficient to satisfy the current or projected Reporting Costs of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve New GM Securities to satisfy such costs. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Reporting Costs, with the approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units. Cash or permissible investments constituting Other GUC Trust Administrative Cash, including cash held to fund Reporting Costs, if any, which remain at the termination of the GUC Trust will be distributed to holders of Allowed General Unsecured Claims or holders of the GUC Trust Units, as the case may be.

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During the quarter ended December 31, 2011, the GUC Trust Administrator reviewed the incurred, estimated and expected costs related to the budgets for Wind-Down Costs and Reporting Costs, and determined that the GUC Trust Administrative Fund and the Other GUC Trust Administrative Cash were not sufficient to cover the expected Wind-Down Costs and Reporting Costs. During the quarter ended December 31, 2011, as a result of the review of incurred, estimated and expected costs, the GUC Trust increased the GUC Trust's Reserves for Expected Costs of Liquidation by \$32.4 million for additional Wind-Down Costs and \$4.8 million for additional Reporting Costs.

During the quarter ended March 31, 2012, the GUC Trust determined it is now probable that the GUC Trust will be subject to certain enhanced SEC reporting obligations and, accordingly, has increased the GUC Trust's Reserves for Expected Costs of Liquidation by \$10.1 million for additional Reporting Costs.

On January 20, 2012, the GUC Trust Administrator filed a motion with the Bankruptcy Court seeking, in part, authority to (i) liquidate New GM Securities in an amount sufficient to generate approximately \$26.5 million to fund estimated and projected GUC Trust fees, costs and expenses for 2011 and 2012 and (ii) liquidate approximately \$13.7 million of New GM Securities and transfer the resulting proceeds to the Avoidance Action Trust to fund projected costs, fees and expenses of the Avoidance Action Trust. The motion was granted on March 8, 2012 pursuant to an order of the Bankruptcy Court (the "Sale Order"), and the associated New GM Securities were liquidated between March 12, 2012 and March 20, 2012. The GUC Trust received approximately \$26.5 million of proceeds from the liquidation of New GM Securities (which amount comprises part of the GUC Trust's present Other GUC Trust Administrative Cash) and an additional approximately \$13.7 million of proceeds from the liquidation of New GM Securities to fund projected costs of the Avoidance Action Trust. To the extent that any of the Other GUC Trust Administrative Cash is not ultimately required and is held by the GUC Trust at the time of its dissolution, such remaining Other GUC Trust Administrative Cash will be distributed by the GUC Trust to holders of Allowed General Unsecured Claims or holders of the GUC Trust Units, as the case may be. As of March 31, 2012, New GM Securities aggregating \$28.4 million have been reserved for projected GUC Trust fees, costs and expenses to be incurred beyond 2012. Accordingly, such New GM Securities are not available for distribution to the beneficiaries of the GUC Trust Units.

The approximately \$13.7 million of sale proceeds generated by the GUC Trust to fund the Avoidance Action Trust were being held by the GUC Trust at March 31, 2012 pending receipt of written confirmation from the Internal Revenue Service that the transfer of such sale proceeds would not affect its prior rulings regarding the tax characterization of (i) the 2009 section 363 sale by MLC and MLC's subsequent liquidation and (ii) the GUC Trust as a "disputed ownership fund" within the meaning of Treasury Regulation section 1.468B-9. Such written confirmation was received on April 24, 2012, and such sale proceeds were transferred to the Avoidance Action Trust on May 14, 2012. A funding obligation to the Avoidance Action Trust has been recorded in the accompanying statement of net assets in liquidation for amounts due to the Avoidance Action Trust at March 31, 2012.

Funding for Potential Tax Liabilities

As described below in Note 3, the GUC Trust is subject to U.S. federal income tax on realized gains from the disposition of shares of New GM Common Stock and New GM Warrants that were transferred by MLC to the GUC Trust on December 15, 2011 (such taxes, "Taxes on Distribution"). Pursuant to Section 12.1 of the Plan, Law Debenture Trust Company of New York, in its capacity as holder of an Allowed General Unsecured Claim and as chair of the Committee, had requested a private letter ruling from the

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Internal Revenue Service which, if granted, would have eliminated the potential Taxes on Distribution arising from distributions to holders of Allowed General Unsecured Claims (the “Favorable Private Letter Ruling”). On May 7, 2012, the Internal Revenue Service informed representatives of the Committee that it had made a final adverse determination with respect to the issuance of the Favorable Private Letter Ruling, and that such Favorable Private Letter Ruling would not be forthcoming.

The GUC Trust Agreement provides that the GUC Trust Administrative Fund may not be utilized to satisfy any Taxes on Distribution. As such, the GUC Trust Administrator is authorized, with the approval of the GUC Trust Monitor, to ‘reserve’, or set aside, from distribution an amount of New GM Securities, the liquidated proceeds of which would be sufficient to satisfy any current or projected Taxes on Distribution. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Taxes on Distribution, with the approval of the GUC Trust Monitor, but without the necessity of obtaining approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the cash proceeds of any such sale will be classified as “Other GUC Trust Administrative Cash” under the GUC Trust Agreement.

During the quarter ended March 31, 2012, the GUC Trust Administrator reviewed the current and projected Taxes on Distribution. As a result of such review, the GUC Trust Administrator determined that it was necessary to reserve New GM Securities aggregating \$108.6 million for projected Taxes on Distribution (based on the fair value in excess of tax basis of New GM Securities at March 31, 2012 reduced by deferred tax assets for the current year net operating loss and future deductible expenses at March 31, 2012). Accordingly, such New GM Securities are not currently available for distribution to the beneficiaries of GUC Trust Units. The GUC Trust Administrator intends to reevaluate the reserve, or set aside, of New GM Securities on a quarterly basis.

The New GM Securities transferred from MLC to the GUC Trust still held at March 31, 2012 have a tax basis of approximately \$1,123 million as of March 31, 2012. Such tax basis will be used to determine the taxable gain or loss on the disposition of New GM Securities since their transfer. For financial reporting purposes, the GUC Trust recorded a net deferred tax liability of \$108.6 million representing the fair value of New GM Securities in excess of their tax basis at March 31, 2012 reduced by deferred tax assets for the current year net operating loss and future deductible expenses at March 31, 2012.

MLC Wind-Down

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims (the “Residual Wind-Down Claims”). Under the Plan, the Debtors were directed to transfer to the GUC Trust an amount of cash necessary (the “Residual Wind-Down Assets”) to satisfy the ultimate allowed amount of such Residual Wind-Down Claims, as estimated by the Debtors, and the costs, fees and expenses relating to satisfying and resolving the Residual Wind-Down Claims (the “Residual Wind-Down Expenses”). On December 15, 2011, MLC transferred \$43,378,628 to the GUC Trust, comprising: (i) \$ 38,606,915 of Residual Wind-Down Assets, (ii) \$1,357,596 in respect of the Avoidance Action Defense Costs (as defined below), (iii) \$1,364,509 for the establishment of the Indenture Trustee Cash Reserve (as defined below) and (iv) \$2,049,608 for Reporting Costs. In addition, the GUC Trust also received the benefit of certain prepaid expenses of \$2,755,529 which also comprise part of the Residual Wind-Down Assets (thus totaling \$41,362,444). This is discussed further below. The GUC Trust established a reserve for Residual Wind-

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Down Claims of approximately \$33,807,000 and increased its Reserve for Expected Costs of Liquidation by approximately \$7,555,000 for Residual Wind-Down Expenses for these obligations transferred from MLC.

Should the Residual Wind-Down Expenses and the Residual Wind-Down Claims be less than the Residual Wind-Down Assets, any excess funds will be returned to the DIP Lenders. If at any time the GUC Trust Administrator determines that the Residual Wind-Down Assets are not adequate to satisfy the Residual Wind-Down Claims and Residual Wind-Down Expenses, such costs will be satisfied by Other GUC Trust Administrative Cash. If there is no remaining Other GUC Trust Administrative Cash, the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, reserve and, with Bankruptcy Court approval, sell New GM Securities to cover the shortfall. To the extent that New GM Securities are reserved and sold to obtain funding to complete the wind-down of the Debtors, such securities will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims and Residual Wind-Down Expenses could reduce the assets of the GUC Trust available for distribution. After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the New GM Securities sold to fund the wind-down process or the resolution and satisfaction of the Residual Wind-Down Claims will be distributed to the holders of the GUC Trust Units.

In addition to the \$41,362,444 in Residual Wind-Down Assets, upon its dissolution MLC transferred cash of \$1,364,509 for the payment of expenses to the Indenture Trustees and the Fiscal and Paying Agents (each as defined in the Plan) for administering distributions to holders of certain Note Claims (as defined in the Plan) (the "Indenture Trustee Cash Reserve"), and cash of \$1,357,596 for the payment of certain defense costs related to the Term Loan Avoidance Action (the "Avoidance Action Defense Costs") for a total of \$44,084,549 in assets transferred to the GUC Trust. The GUC Trust also increased its reserve for liquidation costs by \$2,722,105 for these obligations transferred from MLC. MLC also transferred \$2,049,608 and, in accordance with Section 2.3 of the GUC Trust Agreement, \$500,000, respectively, to the GUC Trust and the Avoidance Action Trust that was previously reported as Cash Due From Motors Liquidation Company and is now included in Cash and Cash Equivalents. The \$500,000 which was transferred to the Avoidance Action Trust was reflected as a reduction to the reserve for expected costs of liquidation.

In addition, MLC transferred the remaining New GM Securities that were previously reported as Securities Due From Motors Liquidation Company to the GUC Trust and are now reported as Holdings of New GM Securities.

3. Basis of Presentation and Significant Accounting Policies

Liquidation Basis of Accounting

The GUC Trust was created for the purposes described above in Note 1 and has a finite life. As a result, the GUC Trust has prepared the accompanying financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States. Under the liquidation basis of accounting, assets are stated at their estimated net realizable value, which is the non-discounted amount of cash or its equivalent, into which an asset is expected to be converted in the due course of business less direct costs, while liabilities are reported at their estimated settlement amount, which is the non-discounted amount of cash, or its equivalent, expected to be paid to liquidate an obligation in the due

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course of business, including direct costs. Additionally, under the liquidation basis of accounting, a reserve has been established for estimated costs expected to be incurred during the liquidation (exclusive of interest expense). Such costs are accrued when they are both estimable and probable. These estimates are periodically reviewed and adjusted as appropriate.

The valuation of assets at net realizable value and liabilities at anticipated settlement amount represent estimates, based on present facts and circumstances known to the GUC Trust Administrator, and are subject to change.

Fiscal Year

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31. As the GUC Trust was created on March 30, 2011 and the Effective Date of the Plan was March 31, 2011, for financial reporting purposes, the GUC Trust is assumed to have been established as of April 1, 2011 and received its initial funding on or about April 1, 2011, which is the beginning of the year ended March 31, 2012 presented in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2012 consist of amounts held in bank accounts or money market funds.

Holdings of New GM Securities

Holdings of New GM Securities represent the GUC Trust's interest in New GM Securities held for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust Units. The securities held consist of shares of New GM Common Stock and New GM Warrants as further described in Note 1 and Note 6. The GUC Trust has valued its interest in the securities at their fair value based on quoted market prices as of the last trading day of the fiscal year.

Prior to December 15, 2011, MLC held the New GM Securities for the benefit of the GUC Trust and the GUC Trust reported its interest in these securities as Securities due from MLC in its previous financial statements. Quoted market prices for New GM Warrants held by MLC for the benefit of the GUC Trust were not available until on or about April 20, 2011. Accordingly, the fair value of New GM Warrants held by MLC for the benefit of the GUC Trust on April 1, 2011 was estimated using a Black-Scholes pricing model. Quoted market prices for New GM Common Stock held by MLC for the benefit of the GUC Trust were available as of April 1, 2011 and, accordingly were used in valuing such Common Stock.

Investments in Marketable Securities

Investments in marketable securities consist of investments in corporate and municipal government commercial paper and demand notes and U.S. government agency bonds. The GUC Trust has valued these securities at fair value based on quoted market prices or quoted prices for similar securities in active markets.

Other Assets

Other assets consist principally of prepaid insurance, prepaid expenses and retainers for professionals.

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Reserves for Residual Wind-Down Claims and Residual Wind-Down Expenses

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining Residual Wind-Down Claims. On the date of dissolution of the Debtors, the Debtors transferred to the GUC Trust cash in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims and Residual Wind-Down Expenses, as estimated by the Debtors.

Reserves for Expected Costs of Liquidation

Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 2, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time required to complete all distributions under the Plan. The GUC Trust has recognized reserves for expected liquidation costs that represent estimated costs to be incurred over the remaining liquidation period. As the GUC Trust incurs such costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued expense until paid.

Accounts Payable & Other Liabilities

Accounts payable and other liabilities represent amounts due to professionals, service providers, and vendors for services rendered or goods received through the end of the period.

Income Taxes

The GUC Trust is considered to be a Disputed Ownership Fund pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have transferred to the GUC Trust are passive investments, the GUC Trust will be taxed as a Qualified Settlement Fund ("QSF") pursuant to Treasury Regulation Section 1.468-9(c)(1)(ii). The QSF tax status of the GUC Trust has been approved by the Internal Revenue Service in a private letter ruling issued on March 2, 2011.

In general, a QSF pays Federal income tax using the C corporation income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61 less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust has not recognized gross income on the transfer of assets from Motors Liquidation Company.

The GUC Trust is currently expected to generate gross income in the form of interest income and recognize gains and/or losses upon its disposition of shares of New GM Common Stock and New GM Warrants which it now holds, which will be reduced by administrative expenses and any accumulated net operating losses, to compute modified gross income. Pursuant to Section 12.1 of the Plan, Law Debenture Trust Company of New York, in its capacity as holder of an Allowed General Unsecured Claim and as chair of the Committee requested the Favorable Private Letter Ruling from the Internal Revenue Service which, if granted, would have eliminated the potential tax liability associated with realized gains in the disposition of New GM Securities to the extent arising from the distribution of New

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GM Securities. However, on May 7, 2012 the Internal Revenue Service informed representatives of the Committee that it had made a final adverse determination with respect to the issuance of the Favorable Private Letter Ruling, and that such Favorable Private Letter Ruling would not be forthcoming.

The tax basis of New GM Securities held at March 31, 2012 used to calculate gain or loss on the disposition of the New GM Common Stock and New GM Warrants is approximately \$1,123 million. As the GUC Trust is taxable for Federal income tax purposes, a current income tax liability, if any, is recognized for estimated taxes payable or refundable for the year. Deferred tax liabilities are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are periodically reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust is not subject to state income taxes under current law. Accordingly, no current or deferred state income tax liabilities and assets are recorded.

The GUC Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. The GUC Trust's Federal income tax return for the year ended March 31, 2012 will be subject to examination. As of March 31, 2012, there are no known items which would result in a significant accrual for uncertain tax positions.

Funding Obligation to the Avoidance Action Trust

Based on an analysis of the Avoidance Action Trust and its potential funding sources, the GUC Trust Administrator, in conjunction with the Avoidance Action Trust Administrator, determined that it would be in the best interest of the holders of Allowed General Unsecured Claims to fund certain fees, costs and expenses of the Avoidance Action Trust, subject to approval of the Bankruptcy Court. As described in Note 2, in March 2012, the Bankruptcy Court approved the sale of New GM Securities aggregating approximately \$13.7 million and the transfer of the sales proceeds to the Avoidance Action Trust for such funding. Accordingly, a funding obligation to the Avoidance Action Trust has been established in the accompanying Statement of Net Assets at March 31, 2012 for the amount that was expected to be and was transferred from the GUC Trust to the Avoidance Action Trust on May 14, 2012.

Use of Estimates

The preparation of financial statements on a liquidation basis in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions that affect reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include the anticipated amounts and timing of future cash flows for expected liquidation costs, Residual Wind-Down Claims, fair value of investment securities, allowed amounts of general unsecured claims and the fair value of New GM Warrants held by MLC for the benefit of the GUC Trust on April 1, 2011. Actual results could differ from those estimates.

Subsequent Events

The accompanying financial statements and related disclosures include evaluation of events up through and including May 15, 2012, which is the date the financial statements were available to be issued.

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4. Net Assets in Liquidation

Description

Under the GUC Trust Agreement and the Plan, as described more fully in Note 1, the beneficiaries of the GUC Trust are current and future holders of Allowed General Unsecured Claims and GUC Trust Units ("Trust Beneficiaries"). Certain assets of the GUC Trust are reserved for funding the expected costs of liquidation and potential tax liabilities and are not available to the Trust Beneficiaries. Other assets of the GUC Trust, primarily Holdings of New GM Securities, as described in Notes 1 and 6, are available to be distributed to the Trust Beneficiaries ("GUC Trust Distributable Assets") in accordance with the Plan. The net assets available in liquidation, presented in the accompanying financial statements, correspond to the amount of GUC Trust Distributable Assets as of March 31, 2012.

Trust Units

As described in Note 1, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a pro rata basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such shares of New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims or liquidation for the payment of the expenses or tax liabilities of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust. The GUC Trust issues units representing such contingent rights ("GUC Trust Units") at the rate of one GUC Trust Unit per \$1,000 of Allowed General Unsecured Claims to each holder of an Allowed General Unsecured Claim, subject to rounding pursuant to the GUC Trust Agreement, in connection with the initial recognition of each Allowed General Unsecured Claim.

The GUC Trust makes quarterly distributions in respect of the GUC Trust Units to the extent that certain previously Disputed General Unsecured Claims asserted against the Debtors' estates are either disallowed or are otherwise resolved favorably to the GUC Trust (thereby reducing the amount of GUC Trust assets reserved for distribution in respect of such asserted claims) and the amount of Excess GUC Trust Distributable Assets (as defined in the GUC Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the GUC Trust Agreement.

On or about July 8, 2011, the GUC Trust issued 29,770,826 GUC Trust Units to holders of Allowed General Unsecured Claims as of the Effective Date. In addition, on or about July 28, 2011, in connection with the second quarter distribution, the GUC Trust issued a further 64,393 GUC Trust Units to new holders of Allowed General Unsecured Claims which had been allowed after the Effective Date and on or before the record date for the second quarter distribution. Further, on or about October 28, 2011, in connection with the third quarter distribution, the GUC Trust issued a further 41,349 GUC Trust Units to new holders of Allowed General Unsecured Claims which had been allowed after the record date for the second quarter distribution and on or before the record date for the third quarter distribution. On or about January 13, 2012, in connection with the Section 2.3(a) Distribution (as defined in Note 5), the GUC Trust issued 47,263 GUC Trust Units in respect of the Allowed General Unsecured Claims which had been allowed during the period ended December 15, 2011. Finally, on or about April 27, 2012, in connection with the fifth quarter distribution, the GUC Trust issued 113,114 GUC Trust Units in respect of the Allowed General Unsecured Claims which had been allowed during the quarter ended March 31, 2012.

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The following presents the total GUC Trust Units which the GUC Trust issued or was obligated to issue as of March 31, 2012:

| | Trust <u>Units</u> |
|---|-----------------------|
| Units outstanding as of April 1, 2011 | - |
| Units issued on July 8, 2011 for the initial distribution | 29,770,826 |
| Units issued on July 28, 2011 for the second quarterly distribution | 64,393 |
| Units issued on October 28, 2011 for the third quarterly distribution | 41,349 |
| Units issued on January 13, 2012 for the Section 2.3(a) distribution | 47,263 |
| Units issuable on April 27, 2012 for the fifth quarter distribution | 113,114 |
| Total units outstanding or issuable at March 31, 2012 | <u>30,036,945</u> |

Allowed and Disputed Claims

The total cumulative pro rata liquidating distributions ultimately received by Trust Beneficiaries is dependent upon the current amount of Allowed General Unsecured Claims and final resolution of outstanding Disputed General Unsecured Claims and the Avoidance Action General Unsecured Claims. Disputed General Unsecured Claims at March 31, 2012 reflect claim amounts at their originally filed amounts and a court ordered claims reserve for certain claims filed without a claim amount. The Disputed General Unsecured Claims may settle at amounts that differ significantly from these amounts and at amounts that differ significantly from the historical pattern at which claims have been settled and allowed in proportion to claims resolved and disallowed. Due to the nature of the claims resolution process and estimates involved, it is at least reasonably possible that these estimates could change in the near term.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Avoidance Action General Unsecured Claims for the year ended March 31, 2012:

| (in thousands) | Allowed General Unsecured Claims | Disputed General Unsecured Claims | Avoidance Action General Unsecured Claims | Maximum Amount of Unresolved Claims | Total Claim Amount (1) |
|---|--|---|--|--|---------------------------|
| Total, April 1, 2011 | \$ 29,770,812 | \$ 8,153,860 | \$ 1,500,000 | \$ 9,653,860 | \$ 39,424,672 |
| New Allowed General Unsecured Claims | 266,070 | - | - | - | 266,070 |
| Disputed General Unsecured Claims resolved or disallowed | - | (2,948,593) | - | (2,948,593) | (2,948,593) |
| Total, March 31, 2012 | <u>\$ 30,036,882</u> | <u>\$ 5,205,266</u> | <u>\$ 1,500,000</u> | <u>\$ 6,705,266</u> | <u>\$ 36,742,149</u> |

(1) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims

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5. Liquidating Distributions

On or about April 21, 2011 and supplemented by a secondary distribution on May 26, 2011, the GUC Trust made its initial distribution to holders of Allowed General Unsecured Claims as of March 31, 2011, distributing an aggregate of 113,194,172 shares of New GM Common Stock and 205,807,642 New GM Warrants (102,903,821 of each of the New GM Series A and New GM Series B Warrants).

On or about July 28, 2011, the GUC Trust made its second distribution. The second quarter distribution comprised (i) a distribution of New GM Securities and GUC Trust Units to holders of Allowed General Unsecured Claims which had been allowed after the record date for the quarter distribution and on or before June 30, 2011, the record date for such second distribution, and (ii) a distribution in respect of all outstanding GUC Trust Units. In the second quarter distribution, the GUC Trust distributed an aggregate of 3,342,580 shares of New GM Common Stock and 6,077,344 New GM Warrants (3,038,672 of each of the New GM Series A and New GM Series B Warrants).

On or about October 28, 2011, the GUC Trust made its third distribution. The third quarter distribution comprised (i) a distribution of New GM Securities and GUC Trust Units to holders of Allowed General Unsecured Claims which had been allowed after the record date for the second quarter distribution and on or before September 30, 2011, the record date for such third distribution, and (ii) a distribution in respect of all outstanding GUC Trust Units. In the third quarter distribution, the GUC Trust distributed an aggregate of 2,467,531 shares of New GM Common Stock and 4,486,380 New GM Warrants (2,243,190 of each of the New GM Series A and New GM Series B Warrants).

Pursuant to section 5.6 (b) of the Plan, which prohibits the receipt of fractional New GM Securities in respect of Trust Beneficiaries' GUC Trust Units, on or about August 4, 2011, the GUC Trust sold 245 shares of New GM Common Stock and 518 New GM Warrants (259 of each of the New GM Series A and New GM Series B Warrants) realizing net proceeds of \$13,068. Additionally, on or about November 17, 2011, the GUC Trust sold 687 shares of New GM Common Stock and 1,288 New GM Warrants (644 of each of the New GM Series A and New GM Series B Warrants) realizing net proceeds of \$28,999. Additionally, on or about January 27, 2012, the GUC Trust sold 370 shares of New GM Common Stock and 736 New GM Warrants (368 of each of the New GM Series A and New GM Series B Warrants) realizing net proceeds of \$18,532. The proceeds from these sales were for distribution to claimants for fractional shares in respect of their GUC Trust Units.

Pursuant to Section 2.3(a) of the GUC Trust Agreement, the GUC Trust was required to distribute, within thirty (30) days of the GUC Trust's receipt thereof, any New GM Securities that would have been distributed on the next quarter distribution date to holders of Allowed General Unsecured Claims, which claims were allowed after the record date for the third quarter distribution and before the December 15, 2011 record date for the Section 2.3(a) Distribution and holders of GUC Trust Units as of the same date, in each case pursuant to the terms of the GUC Trust Agreement (the "Section 2.3(a) Distribution"). The Section 2.3(a) Distribution took place on or about January 13, 2012, and consisted solely of a distribution to holders of (a) these newly Allowed General Unsecured Claims and (b) other Allowed General Unsecured Claims, allowed on or before September 30, 2011 (the record date for the third GUC Trust distribution) whose holders previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but successfully fulfilled such information requirements for the Section 2.3(a) Distribution. Because the amount of Excess GUC Trust Distributable

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Assets in the Section 2.3(a) Distribution did not exceed the Distribution Threshold (as defined in the GUC Trust Agreement), no distribution to holders of GUC Trust Units was made in connection with the Section 2.3(a) Distribution.

The fourth quarter distribution was scheduled to take place as promptly as practicable following January 1, 2012, based upon the GUC Trust's books and records as of December 31, 2011. However, as no Disputed General Unsecured Claims were allowed between the GUC Trust Funding Date and the December 31, 2011 record date for the fourth quarter distribution, no distribution was required to be made to holders of Resolved Disputed Claims. In addition, as the amount of Excess GUC Trust Distributable Assets did not exceed the Distribution Threshold, no distribution to holders of GUC Trust Units was required. As such, no quarter distribution (other than the Section 2.3(a) Distribution referenced herein) was made during January 2012.

The fifth quarter distribution took place on or about April 27, 2012, and consisted solely of a distribution to holders of Resolved Disputed Claims, and holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but successfully fulfilled such information requirements for the fifth quarter distribution. Because the amount of Excess GUC Trust Distributable Assets did not exceed the Distribution Threshold, no distribution to holders of GUC Trust Units was made in connection with the fifth quarter distribution.

In aggregate for all such distributions, the GUC Trust was obligated at March 31, 2012 to distribute 622,637 shares of New GM Stock, 565,896 New GM Series A Warrants and 565,896 New GM Series B Warrants, and, except as set out below, all of these securities were distributed on or about April 27, 2012 and on or about May 4, 2012:

- (a) an aggregate of 150,592 shares of New GM Common Stock, 136,853 New GM Series A Warrants and 136,853 New GM Series B Warrants which were otherwise then distributable to certain holders of Allowed General Unsecured Claims were not so distributed because such holders had not then satisfied certain informational requirements necessary to receive these securities, and

- (b) an aggregate of 144 shares of New GM Common Stock, 43 New GM Series A Warrants and 43 New GM Series B Warrants that have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held, and

- (c) an aggregate of 66,497 shares of New GM Common Stock, 60,425 New GM Series A Warrants and 60,425 New GM Series B Warrants which were otherwise then distributable in connection with the fifth quarter distribution to holders of GUC Trust Units which were not so distributed because the amount of Excess GUC Trust Distributable Assets did not exceed the Distribution Threshold set forth in the GUC Trust Agreement.

As of March 31, 2012, the GUC Trust had accrued liquidating distributions payable of \$31,719,524 in respect of the securities then distributable pending satisfaction of informational requirements, the rounding of partial shares due to DTC requirements, the shares allocated on account of Excess GUC Trust Distributable Assets that did not exceed the Distribution Threshold and the securities either distributed on or about April 27, 2012 and on or about May 4, 2012 or to be sold on or about May 18, 2012 in respect of fractional New GM Securities as described above.

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6. Holdings of New GM Securities

On December 15, 2011, all remaining undistributed New GM Securities held at MLC were transferred from MLC to the GUC Trust (the "GUC Trust Transfer Date").

At March 31, 2012, the Holdings of New GM Securities, at fair value, consisted of the following:

| | <u>Number</u> | <u>Fair Value</u> <u>(in thousands)</u> |
|--------------------------|---------------|--|
| New GM Common Stock | 30,034,667 | \$ 770,389 |
| New GM Series A Warrants | 27,304,086 | 454,067 |
| New GM Series B Warrants | 27,304,086 | 305,806 |
| Total | | <u>\$ 1,530,262</u> |

As of March 31, 2012, the GUC Trust had accrued liquidating distributions payable of \$31,719,524 in respect of the securities then distributable. As a result, the numbers of New GM Securities reflected above include shares for which a liquidating distribution was then pending as at March 31, 2012. See Note 5. These securities aggregate 622,637 New GM Common Stock, 565,896 Series A Warrants, and 565,896 Series B Warrants.

The number of common stock shares and warrants in the table above also includes securities that were reserved for certain items and are not available for distribution to the holders of GUC Trust Units. These securities aggregate 2,688,527 common stock shares, 2,444,116 Series A Warrants, and 2,444,116 Series B Warrants.

Set forth below are the aggregate number and fair value of all such shares and warrants which are pending distribution or are reserved and not available for distribution as at March 31, 2012:

| | <u>Number</u> | <u>Fair Value</u> <u>(in thousands)</u> |
|--------------------------|---------------|--|
| New GM Common Stock | 3,311,164 | \$ 84,931 |
| New GM Series A Warrants | 3,010,012 | 50,056 |
| New GM Series B Warrants | 3,010,012 | 33,712 |
| Total | | <u>\$ 168,700</u> |

Included in such New GM Securities that were pending distribution or are reserved, and thus not available for distribution to holders of GUC Trust Units as at March 31, 2012, are the following:

- Distributions pending to certain holders of Allowed General Unsecured Claims who had not satisfied the information requirements necessary to receive such distributions. These pending distributions comprised an aggregate of 150,592 shares of New GM Common Stock valued at \$3,862,684; 136,853 New GM Series A Warrants valued at \$2,275,865 and 136,853 New GM Series B Warrants valued at \$1,532,753 as of March 31, 2012. If any such holder of Allowed General Unsecured Claims does not provide such information by the time of the GUC Trust's

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termination, the securities to which the holder would have been entitled will instead be available to the remaining holders of GUC Trust Units.

- Distributions pending to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held. These pending distributions comprised an aggregate of 144 shares of New GM Common Stock, 43 New GM Series A Warrants and 43 New GM Series B Warrants.
- Distributions pending to holders of GUC Trust Units with respect to the amount of Excess GUC Trust Distributable Assets which did not exceed the Distribution Threshold in connection with the fifth quarter distribution. These pending distributions comprised an aggregate of 66,497 shares of New GM Common Stock valued at \$1,705,648; 60,425 New GM Series A Warrants valued at \$1,004,868 and 60,425 New GM Series B Warrants valued at \$676,760.
- Distributions pending for distributions which were either distributed on or about April 27, 2012, or on or about May 4, 2012 or to be sold on or about May 18, 2012 in respect of fractional New GM Securities as described in Note 5. These pending distributions comprised 405,404 shares of New GM Common Stock, valued at \$10,398,613; 368,575 New GM Series A Warrants and 368,575 New GM Series B Warrants valued at \$6,129,402 and \$4,128,041, respectively.
- New GM Securities aggregating \$28.4 million reserved, or set aside, for projected GUC Trust fees, costs and expenses to be incurred beyond 2012 and \$108.6 million of New GM Securities have been reserved for projected Taxes on Distribution. As a result, the numbers of New GM Securities in the table above include an aggregate of 2,688,527 shares of New GM Common Stock, 2,444,116 New GM Series A Warrants and 2,444,116 New GM Series B Warrants which have been so set aside.

7. Related Party Transactions

In addition to serving as GUC Trust Administrator, Wilmington Trust Company continues to serve as trustee pursuant to the indentures for certain series of previously outstanding debt of MLC. Wilmington Trust Company has received and will continue to receive certain customary fees in amounts consistent with Wilmington Trust Company's standard rates for such service. The Bankruptcy Court previously approved the creation of a segregated fund for the purposes of funding such fees for Wilmington Trust Company as well as the other indenture trustees and fiscal and paying agents for previously outstanding debt of MLC. During the fiscal year ended March 31, 2012, the total amount of such fees was approximately \$480,000.

In addition, Wilmington Trust Company has also entered into certain arrangements with the GUC Trust pursuant to which it or its affiliates have previously received, and may in the future receive, reasonable and customary fees and commissions for services other than services in the capacity of GUC Trust Administrator. Such arrangements include the provision of custodial, investment advisory and brokerage services to the GUC Trust. The fees and commissions charged by Wilmington Trust Company and its affiliates pursuant to these arrangements are consistent with the standard fees and commissions charged

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by Wilmington Trust Company to unrelated third-parties in negotiated transactions. During the fiscal year ended March 31, 2012, the total amount of such fees and commissions was approximately \$192,000.

8. Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value and the Trust's investments are presented as provided by this hierarchy.

The following table presents information about the GUC Trust's assets and liabilities measured at fair value on a recurring basis at March 31, 2012, and the valuation techniques used by the GUC Trust to determine those fair values.

Level 1 – In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the GUC Trust has the ability to access.

Level 2 – Fair value determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. There were no assets or liabilities recorded that are measured with Level 3 inputs at March 31, 2012.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The GUC Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The GUC Trust also holds other assets and liabilities not measured at fair value on a recurring basis, including accounts payable and other liabilities. The fair value of these liabilities is equal to the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

The following table summarizes the fair values of those financial instruments measured at fair value at March 31, 2012:

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| (in thousands) | Level 1 | Level 2 | Level 3 | Balance as of March 31, 2012 |
|---|---------------------|------------------|-------------|---------------------------------|
| Cash equivalents: | | | | |
| Money market funds | \$ 38,396 | \$ - | \$ - | \$ 38,396 |
| Investments: | | | | |
| Municipal commercial paper and demand notes | - | 25,253 | - | 25,253 |
| Corporate commercial paper | - | 59,317 | - | 59,317 |
| U.S. government agency bonds | - | 2,001 | - | 2,001 |
| Holdings of New GM Securities | | | | |
| New GM Common Stock | 770,389 | - | - | 770,389 |
| New GM Warrants | 759,873 | - | - | 759,873 |
| Total | <u>\$ 1,568,658</u> | <u>\$ 86,571</u> | <u>\$ -</u> | <u>\$ 1,655,229</u> |
| Liquidating distributions payable | \$ 31,720 | \$ - | \$ - | \$ 31,720 |

The following are descriptions of the valuation methodologies used for assets measured at fair value:

- Due to its short-term, liquid nature, the fair value of cash equivalents approximates its cost basis.
- Holdings of New GM Securities are valued at closing prices reported on the active market on which the individual securities are traded.
- Fixed income investments include municipal and corporate commercial paper and U.S. government agency bonds. Investments valued using level 1 inputs are generally valued at the bid or the average of the bid and ask price. For other fixed income investments, values are based on pricing models, quoted prices of securities with similar characteristics, or broker quotes.

The GUC Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. During the quarter ended December 31, 2011, as a result of the dissolution of MLC, the New GM Securities, previously held by MLC, were transferred to the GUC Trust. Accordingly, these securities, which are now a direct holding of the GUC Trust, and have quoted prices in open markets, were reclassified from Level 2 to Level 1 assets.

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9. Reserves for Expected Costs of Liquidation and Residual Wind-Down Claims

The following is a reconciliation of the reserves for expected costs of liquidation, including expected reporting costs, for the year ended March 31, 2012:

| (in thousands) | Reserve for Expected Wind Down Costs | Reserve for Expected Reporting Costs | Reserve for Indenture Trustee/Fiscal and Paying Agent Costs | Reserve for Avoidance Action Defense Costs | Reserve for Residual Wind Down Costs | Total Reserve for Expected Costs of Liquidation |
|---|---|---|---|---|--|--|
| Balance, April 1, 2011 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Plus initial accrual of expected costs | 52,734 | 5,657 | | | | 58,391 |
| Plus reserves received December 15, 2011 from MLC | - | - | 1,365 | 1,358 | 7,555 | 10,278 |
| Plus remaining reserves accrued December 31, 2011 | 32,432 | 4,781 | - | - | - | 37,213 |
| Plus additional reserves accrued March 31, 2012 | 2 | 10,122 | | | | 10,124 |
| Less liquidation costs incurred during the year ended March 31, 2012: | | | | | | |
| Trust Professionals | (25,320) | (6,975) | - | (78) | (1,649) | (34,021) |
| Trust Governance | (2,866) | - | (718) | - | - | (3,585) |
| Other Administrative Expenses | (166) | (265) | - | - | (1,857) | (2,289) |
| Balance March 31, 2012 | <u>\$ 56,816</u> | <u>\$ 13,320</u> | <u>\$ 647</u> | <u>\$ 1,280</u> | <u>\$ 4,049</u> | <u>\$ 76,111</u> |

The following is a reconciliation of the reserves for Residual Wind-Down Claims for the year ended March 31, 2012:

| (in thousands) | Total Reserve for Residual Wind Down Claims |
|---|--|
| Balance, April 1, 2011 | \$ - |
| Plus reserves received December 15, 2011 from MLC | 33,807 |
| Less payment of claims during the year ended March 31, 2012 | (1,560) |
| Reduction in reserve | - |
| Balance March 31, 2012 | <u>\$ 32,247</u> |

10. Income Taxes

Income taxes are provided for the tax effects of transactions reported in the liquidation basis financial statements and consist of taxes currently due, if any, plus deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial reporting purposes and tax reporting.

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The components of the income tax provision in the statement of changes in net assets in liquidation for the year ended March 31, 2012 are as follows:

in thousands

| | |
|----------|-------------------|
| Current | \$ - |
| Deferred | 108,583 |
| Total | <u>\$ 108,583</u> |

There was no current income tax expense or benefit for the year ended March 31, 2012 due to current year net operating losses. Such net operating loss expires in March 2032.

The following summarizes the sources and expected tax consequences of future taxable deductions and income, which comprise the net deferred tax liability at March 31, 2012:

in thousands

Deferred income tax assets:

| | |
|--|-----------|
| Reserves for expected costs of liquidation | \$ 24,539 |
| Net operating losses | 9,537 |

| | |
|----------------------------------|---------------|
| Gross deferred income tax assets | <u>34,076</u> |
|----------------------------------|---------------|

Deferred income tax liabilities:

| | |
|--|---------|
| Fair value in excess of tax basis of holdings of New GM Securities | 142,659 |
|--|---------|

| | |
|---------------------------------------|----------------|
| Gross deferred income tax liabilities | <u>142,659</u> |
|---------------------------------------|----------------|

| | |
|----------------------------|-------------------|
| Net deferred tax liability | <u>\$ 108,583</u> |
|----------------------------|-------------------|